

A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

January 25, 2002

1:00 p.m.

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES - December 11, 2001
- III. CHAIR'S REPORT
- IV. WATER SUPPLY REPORT NRCS
- V. FEASIBILITY REPORTS
 - E060 Hooper Irr. Co. Weber
 - E064 Midway Irr. Co. Wasatch
 - L541 Town of Brian Head Iron
- VI. COMMITTAL OF FUNDS
 - E063 Leamington Irr. Co. Millard
- VII. LEGISLATIVE BRIEFING
- VIII. DIRECTOR'S REPORT
- IX. REAPPOINTMENT OF BEAR RIVER COMMISSIONERS
- X. OTHER ITEMS
- XI. NEXT BOARD MEETING - March 14, 2002 - St. George
- XII. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

January 25, 2002

10:00 a.m.

- I. WELCOME
Chair Taylor

- II. TITLE INSURANCE
Norm Johnson

- III. DISCUSSION OF PROJECTS
Board/Staff

- IV. OTHER ITEMS

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

January 25, 2002

Funds Available for Projects This FY \$ 6,391,000

Projects Contracted This FY

1 Mona IrrCo	E048	\$ 326,000
2 Toney IrrCo	E054	30,000
3 Red Creek IrrCo	E038	42,500
4 Devils Pass WaterCo	D964	327,000
5 Deseret IrrCo	E056	200,000
6 Grantsville IrrCo	E050	288,000
7 Chalk Creek Narrows IrrCo (Amend)	E019	750,000
8 Fennon Canal & Reservoir Co	D942	850,000
9 Summit Water Distribution Co	D776	1,000,000
10 Pite Res & IrrCo (Pite Dam)	C022 Grant **	<u>220,000</u>

Total Funds Contracted	\$ 4,034,000
Funds Balance	<u>\$ 2,357,000</u>

Projects with Funds Committed

1 Parowan Westfields IrrCo	E044	\$ 15,200
2 Green River Canal Co	E046	35,000
3 Herriman Pipeline & Development Co	E055	637,000
* 4 Leamington IrrCo	E063	68,000
5 Kays Creek IrrCo (Adam's Dam) And Comm. iments for Dam Safety Studies	C001 Grant **	4,000
	**	<u>201,000</u>

Total Funds Committed	\$ 960,000
Funds Balance	<u>\$ 1,397,000</u>

Projects Authorized

1 Beaver Bench IrrCo	D918	\$ 280,000
2 Croydon Pipeline Co	D962	35,000
3 North Canyon IrrCo	D955	315,000
4 Don Anderson	E008	170,000
5 East Bench Canal Co	E032	256,000
6 Scripps IrrCo	E049	570,000
7 Marlon Waterworks Co	E053	320,000
8 Deseret IrrCo	E056	520,000
9 Fremont Waterworks Co	E057	<u>150,000</u>

Total Funds Authorized	\$ 2,616,000
Remaining Funds Available	<u>\$ (1,219,000)</u>

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

January 25, 2002

Funds Available for Projects This FY	\$	1,346,000
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Projects Contracted This FY

1	\$	-
Total Bonds Closed	\$	-
Funds Balance	\$	1,346,000

Funds Committed to Projects

1 Alpine Cove Water SSD	D 930	\$	480,000
2 Pleasant Grove City	E 003		150,000
3 North Salt Lake City (Amend)	L 530		440,000
Total Funds Committed		\$	1,070,000
Funds Balance		\$	276,000

Projects Authorized

1 Hanna Water & Sewer District	D 983	\$	1,146,000
2 Trenton Town	L 534		1,304,000
Total Funds Authorized		\$	2,450,000
Remaining Funds Available		\$	(2,174,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund Funding Status

January 25, 2002

Funds Available for Projects This FY \$ 10,831,000

Projects Contracted/Bonds Closed This FY

1 Noble City	L525	\$ 125,000
2 River Heights City	L537	839,000
3 Davis & Weber Counties Cnl Co (Ph II)	E035	2,425,000
4 Willard City	L538	425,000
5 Alpine City (Bond Ins Grant)	E051	75,000
6 Tooele City (Bond Ins Grant)	E052	80,000
7 Weber Basin W CD (Secondary Irr, Ph I)	E029	531,000
8 Nordic Mountain Water, Inc. (Amend)	E007	293,000
9 Fennon Canal & Reservoir Co	D942	1,150,000
10 Summit Water Distribution Co	D776	2,000,000

Total Funds Contracted/Closed	\$ 7,943,000
Funds Balance	\$ 2,888,000

Funds Committed to Projects

1 Holiday Water Co	D906	\$ 500,000
2 Morgan Secondary Water Association	E031	2,790,000

Total Funds Committed	\$ 3,290,000
Funds Balance	\$ (402,000)

Projects Authorized

1 Uintah W CD (Red Wash)	D730	\$ 1,940,000
2 Springville City (Culinary)	L522	300,000
3 Strawberry High Line Canal Co	D976	3,187,000
4 Price-Wellington Control Board	D999	3,925,000
5 Kanab Irr Co	D968	62,000
6 Center Creek Culinary Water Co	E020	450,000
7 Ivins City	L533	440,000
8 Bristlecone W ID	E026	935,000
9 Uintah W CD (Island Ditch)	E036	720,000
10 Mountain Regional Water SSD	E040	1,675,000
11 Price City	L540	3,750,000
12 Wellsville-Mendon Conservation District	E058	192,000
* 13 Midway Irr Co	E064	2,414,000
* 14 Town of Brian Head	L541	1,700,000

Total Funds Authorized	\$ 21,690,000
Remaining Funds Available	\$ (22,092,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

January 25, 2002

ADDITIONAL ACTIVE PROJECTS	Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects			
1 Davis & Weber Counties Cnl Co (Ph 4)	D 674 C&D	\$ 10,925,000	\$ 12,853,000
2 Carbonville Ditch Co	D 887 RCF	462,000	597,000
3 Cental Utah W CD (Prepay FY 98,99,00)	D 960 C&D	3,000,000	3,000,000
4 Washington County W CD (Ivins)	D 925 C&D	1,390,000	5,100,000
5 Weber Basin W CD (Secondary Irr, Ph 2-5)	E 029 C&D	28,369,000	33,375,000
6 Davis & Weber Counties Cnl Co (Cnl Rehab)	E 035 C&D	18,230,000	21,447,000
* 7 Hooper Irr Co (Press Irr)	E 060 C&D	16,575,000	19,500,000
Subtotal		\$ 78,951,000	\$ 95,872,000
Projects Under Investigation			
1 Downs Ditch Water Co	D 899 RCF	\$ 7,500	\$ 10,000
2 Juab Lake Irr Co	D 901 RCF	75,000	100,000
3 K Ranch LLC	D 954 RCF	206,250	275,000
4 Hooper Irr Co (Irr Pipeline)	D 995 RCF	93,750	125,000
5 Keith Johnson	D 996 RCF	37,500	50,000
6 Billy Bethers Spring, Cul, & Domestic	E 021 RCF	300,000	400,000
7 Fountain Green Irr Co	E 042 RCF	285,000	380,000
8 Ephraim Irr Co	E 061 RCF	2,100,000	2,800,000
9 Porcupine Highline Canal Co	E 062 RCF	75,000	100,000
10 Marion Park Estates	E 065 RCF	173,250	231,000
* 11 Mayfield Irr Co	E 067 RCF	187,500	250,000
12 Summit County Service Area #3	E 045 CW L	414,750	553,000
* 13 Beaver City	L 543 CW L	147,000	196,000
14 Woodruff Irrigating Co	D 680 C&D	600,000	800,000
15 Kane County W CD	D 828 C&D	1,500,000	2,000,000
16 Richfield City	D 898 C&D	450,000	600,000
17 Uintah W CD (Leota Bench)	D 944 C&D	750,000	1,000,000
18 Midway Irr Co (Ph 3)	D 949 C&D	4,725,000	6,300,000
19 Springville City (Secondary Irr)	D 967 C&D	13,500,000	18,000,000
20 East Carbon City (Dam)	D 969 C&D	7,500,000	10,000,000
21 Silver Spurs Water Co	D 990 C&D	21,000	28,000
22 Gunnison Butte Mutual Irr Co	E 004 C&D	10,500,000	14,000,000
23 Town of Alamosa	E 012 C&D	142,500	190,000
24 Draper Irr Co	E 023 C&D	4,050,000	5,400,000
25 City of South Jordan	E 034 C&D	2,253,000	3,004,000
26 Payson City (Walker Flat)	E 037 C&D	7,500,000	10,000,000
27 Hyrum Blacksmith Fork Irr Co	E 047 C&D	2,025,000	2,700,000
* 28 East Zion SSD	E 066 C&D	592,500	790,000
* 29 Magna Water Co an Improvement District	E 068 C&D	1,155,000	1,540,000
* 30 New Santa Clara Field Canal Co	E 069 C&D	1,827,750	2,437,000
Subtotal		\$ 63,194,250	\$ 84,259,000
TOTAL		\$ 142,145,250	\$ 180,131,000

* New Applications

BOARD OF WATER RESOURCES

January 25, 2002

Long Term Large Water Conservation Projects

1 Sanpete W CD (Narrows Dam)	D 377
2 Wayne County W CD	D 494
3 Cedar City Valley Water Users	D 584
4 Bear River W CD	D 738
5 Mapleton City	D 886

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-060**

Received: 9/11/01

Approved: 11/2/01

To be Presented at the January 25, 2002 Board Meeting

SPONSOR: **HOOPER IRRIGATION COMPANY**

President: Robert W. Penman

LOCATION: The proposed project is located in and around Hooper City and a small portion of West Haven City in Weber County, plus the extreme northwestern part of Davis County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides irrigation water to about 11,700 agricultural acres and 700 acres of residential lawns and gardens. The water travels through a series of open earth and concrete-lined ditches and some low pressure concrete pipelines.

The unlined ditches are inefficient. Seepage from the ditch system has also caused some septic system drainage fields to back up and migrate into surface water, contaminating it. Even though most homeowners have access to the ditch irrigation water, they use culinary water instead for outdoor watering because of the convenience; this puts pressure on the local culinary system which must supply existing and new users.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to construct a four-phased pressurized irrigation system to serve agricultural and residential users. It is anticipated that, when the overall project is completed, about 6,000 acres of farms and 2,400 acres of residences will be under pressurized irrigation; the sponsor's remaining 4,000 acres, in the Taylor and West Weber areas, plan to remain a ditch irrigation system.

The first phase of the project will consist of a regulating reservoir, pump station, and about 11 miles of pipeline to serve farms and residences in and around Hooper. About 1,800 acres will be put under pressurized irrigation, equally divided between agricultural and municipal. J-U-B Engineers in Kaysville will provide design and construction engineering services.

The overall project will replace most of a project (E-029) previously authorized by the board for the Weber Basin Water Conservancy District in June, 2000 (the first phase of the district's project, east and northeast of the Hooper area, is complete). Negotiations between the sponsor and district, for the district to provide pressurized water to the Hooper area, were terminated because the sponsor did not want to relinquish its water rights. The sponsor and its engineer feel the project can be done more economically if it is sponsored by the irrigation company; the cost estimate reflects the lower costs.

COST ESTIMATE: The following cost estimate is based on information provided by the engineer and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
REGULATING RESERVOIRS				
1.	Property Acquisition	21.5 AC	\$65,000	\$ 1,397,500
2.	Earthwork	93,700 CY	3.00	281,100
3.	Inlet Structure	4 EA	10,000	40,000
4.	Fencing	7,500 LF	8.00	60,000
5.	Membrane Liner	913,500 SF	1.25	1,141,875
6.	Riprap	2,600 CY	15.00	39,000
7.	Control Gate	4 EA	15,000	<u>60,000</u>
Subtotal				\$3,019,475
PUMP STATIONS				
1.	Sites	LS	\$ 40,000	\$ 40,000
2.	Buildings	2,400 SF	100	240,000
3.	Pumps, Motors, & Controls	LS	1,000,000	<u>1,000,000</u>
Subtotal				\$1,280,000
PIPELINE				
1.	Mobilization	LS	\$ 100,000	\$ 100,000
2.	PVC Pipe, C-900			
	a. 36-inch	3,800 LF	80.00	304,000

b. 30-inch	2,700 LF	67.40	181,980
c. 24-inch	11,000 LF	50.90	559,900
d. 18-inch	23,700 LF	30.60	725,220
e. 16-inch	18,800 LF	24.50	460,600
f. 12-inch	72,400 LF	18.40	1,332,160
g. 10-inch	50,000 LF	17.70	888,540
h. 8-inch	95,600 LF	13.30	1,271,480
i. 6-inch	23,200 LF	10.30	238,960
j. 4-inch	3,700 LF	8.90	32,930
3. Valve			
a. 36-inch	2 EA	10,000	20,000
b. 30-inch	2 EA	7,500	15,000
c. 24-inch	12 EA	4,100	49,200
d. 18-inch	25 EA	2,500	62,500
e. 16-inch	32 EA	2,050	65,600
f. 12-inch	182 EA	1,200	218,400
g. 10-inch	127 EA	1,100	139,700
h. 8-inch	320 EA	800	256,000
i. 6-inch	78 EA	600	46,800
j. 4-inch	13 EA	500	6,500
4. Pipe Bedding	102,200 TN	9.00	919,800
5. Pipe Backfill	18,500 TN	8.50	157,250
6. Pavement Restoration	900,600 SF	2.70	2,431,620
7. Service Line	2,000 EA	550	<u>1,100,000</u>
Subtotal			\$11,584,140
Construction Cost			\$15,883,615
Contingencies			1,587,385
Legal, Administrative, and Engineering			<u>2,029,000</u>
TOTAL			\$19,500,000

**COST SHARING
& REPAYMENT:**

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$16,575,000	85%
Sponsor	<u>2,925,000</u>	<u>15</u>
TOTAL	\$19,500,000	100%

If the board authorizes the project, it is suggested the assistance be repaid at between 3% and 5% interest, depending on the proportion of agricultural and municipal benefit, and individual project phase benefactors' ability to pay. Due to the large scope of the project, it is further suggested the exact interest rate, repayment period, and annual payments for each phase be determined at the time funds are committed.

ECONOMIC
FEASIBILITY:

Economic feasibility is determined by calculating the cost of the best alternative means of dealing with the water supply problem, which is to serve all future municipal water needs through the culinary water system. The cost estimate, by Gardner Engineering, to expand the culinary system to handle both indoor and outdoor needs is just over \$14,000,000. The annual cost of culinary-grade water is \$139/acre-foot, compared to \$8.80/acre-foot for irrigation water for the secondary system. When all costs for the project and the alternative are discounted to present value at 3.9%, the benefit/cost ratio is 1.25.

FINANCIAL
FEASIBILITY:

Based on the board's current water service affordability guidelines, Hooper residents could pay up to \$54.79 monthly for all water service. They presently pay the following:

Culinary (supplied by Hooper WID)

- Minimum \$10.60/10,000 gal.
- Overage \$1.25/1,000 gal.
- Ave. Monthly Bill \$45.39 (Irr. Seas.); \$10.60 (Non-Irr. Seas.)

Irrigation (supplied by Hooper Irr. Co.)

- Yearly Share Assessment \$22.00
- Yearly Shareholder Fee \$20.00
- Shares/Residence: 1 (ave.); Shares/Ag. acre: 1

The average residential user is therefore currently paying about \$343/yr., or \$28.60 monthly for all water. Agricultural users are annually paying \$20 plus \$22/acre. To pay for the proposed project, the sponsor tentatively plans to charge all residential and agricultural users a \$700 connection fee, plus \$25/month/share; this appears to be more than adequate to repay board financial assistance.

BENEFITS: The project will raise irrigation efficiency (although the sponsor states it has an ample supply of water), eliminate seepage from ditches into septic system drainage fields, reduce ditch maintenance time and expense, address safety and liability concerns, and reduce pressure on Hooper Water Improvement District's culinary water system; the district supports the project as it will free up culinary water needed to supply residential growth.

The sponsor plans to retain most of its ditches for storm drainage purposes.

PROJECT SPONSOR: The sponsor incorporated in 1903, is presently registered in good standing with the state Department of Commerce, and has not received assistance from the board in the past.

WATER RIGHTS & SUPPLY: The sponsor has 9,667 shares of "Class A" stock, representing Weber River Decree rights 28, 29, 33, and 981; one share entitles the holder to 2½-4 acre-feet/year. "Class B" stock is represented by water right numbers 35-1241 and 35-5488, created by an exchange agreement with the Bureau of Reclamation from storage in Echo and Rockport Reservoirs and Willard Bay.

Flow that can be received from the Weber River is up to 277.8 cfs as determined by the river commissioner, summarized as follows:

<u>WRNUM</u>	<u>Flow (cfs)</u>
35-1241	59.27
35-5488	30.00
35-8028	16.36
35-8029	0.73
35-8033	136.4
35-8981	35.08

Contracts are held providing Echo Reservoir storage rights of 9,600 acre-feet, and Willard Bay storage rights of 5,700 acre-feet.

EASEMENTS: Property will need to be acquired for regulating reservoirs and pump stations. Most pipelines will be installed along or in city and county streets, and state highways. Some easements from private landowners may be required.

ENVIRONMENTAL: The project is not expected to have any detrimental effects on the environment beyond the usual dust and noise of the construction phase.

WATER
CONSERVATION: The project will reduce ditch seepage by an estimated 6,470 acre-feet annually.

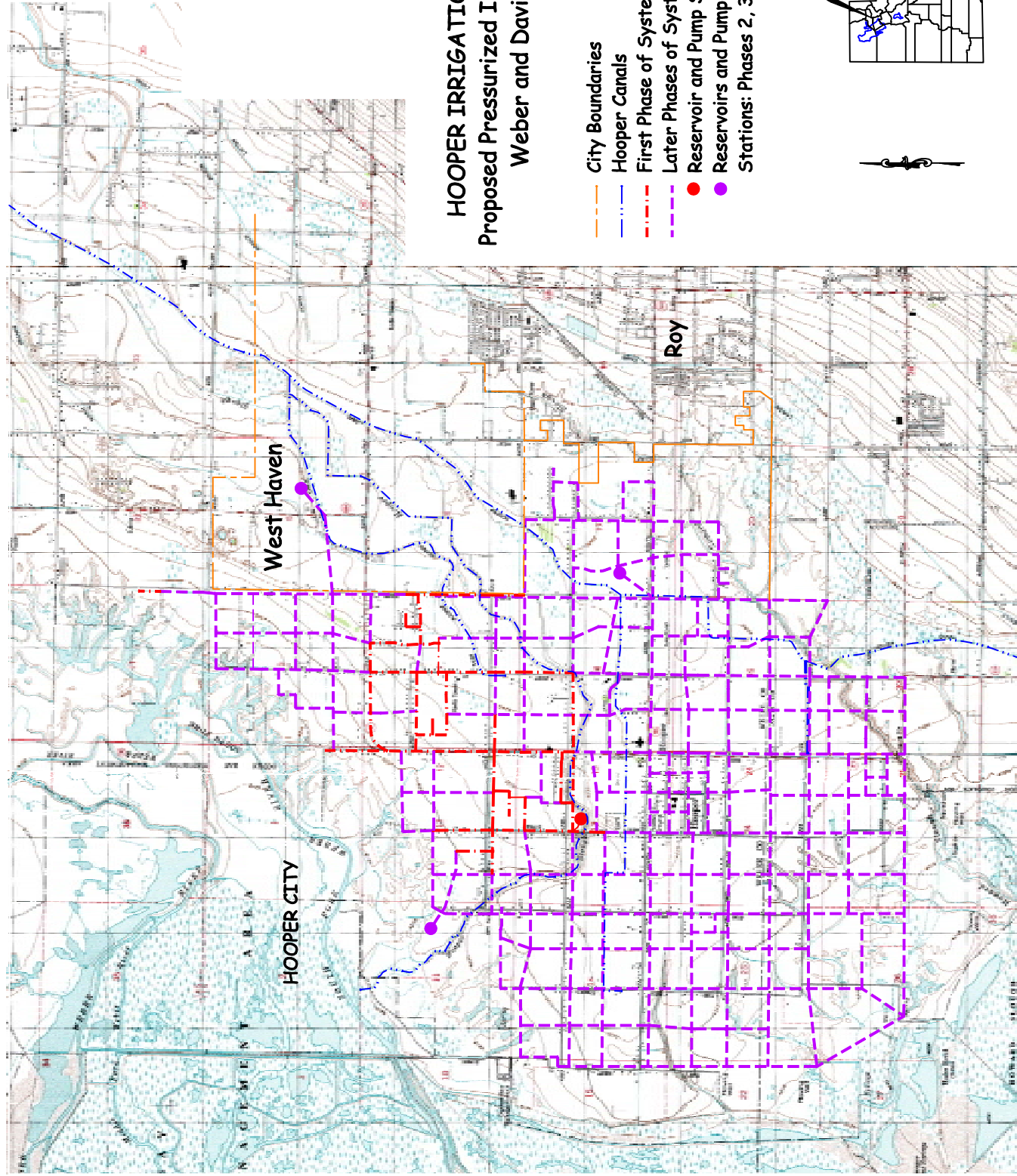
SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction on each phase can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have its attorney give the Board of Water Resources a written legal opinion:
 - a. That the company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. That the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. That the company has obtained all easements, rights-of-way, and permits required for the project and that they can be legally transferred to the Board of Water Resources.
 - d. That the company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

4. Obtain approval of final plans and specifications from the Division of Water Resources.
5. Submit plans and specifications to the Division of Drinking Water.
6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.
7. Adopt an ordinance prohibiting its shareholders from irrigating residential landscapes between the hours of 10:00 a.m. and 6:00 p.m.
8. Obtain an IRS Employer Identification Number.

PROJECT
CONTACT
PEOPLE:

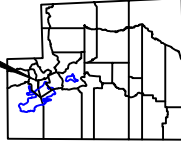
President:	Robert W. Penman 5375 South 5500 West Hooper, UT 84315 Phone: (801) 985-8429
Secretary:	Armina Widdison 5375 South 5500 West Hooper, UT 84315 Phone: (801) 985-8429
Engineer:	J-U-B Engineers 466 North 900 West Kaysville, UT 84037 Phone: (801) 547-0393



HOOPER IRRIGATION COMPANY Proposed Pressurized Irrigation System Weber and Davis Counties

- City Boundaries
- Hooper Canals
- First Phase of System
- Later Phases of System
- Reservoir and Pump Station: First Phase
- Reservoirs and Pump
- Stations: Phases 2, 3, and 4

Project
Location



BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-064**
Received: 1/27/97
Approved: 1/31/97

To be Presented at the January 25, 2002 Board Meeting

SPONSOR: **MIDWAY IRRIGATION COMPANY**

President: Steve Farrell

LOCATION: The proposed project is located north and east of Midway City, about three miles west of Heber in Wasatch County.

EXISTING CONDITIONS & PROBLEMS: In June, 1997, the sponsor appeared before the board to request \$12,800,000 to help install three pressurized irrigation projects, eventually serving a total of about 3,500 acres, at a total cost of \$16,000,000. The project consisted of two regulating reservoirs, a pump station, and about 233,000 feet of transmission and distribution pipeline. Repayment terms were set at 2% interest over a period of time not to exceed 35 years, with board cost sharing of 80%. The board authorized only Phase I, agreeing to advance \$4,240,000 (80%) of a \$5,300,000 initial project in the agricultural areas south of Midway.

The sponsor met again with the board in October, 1998, to request committal of funds for Phase I, which had grown to include 42,000 additional feet of pipe to create a pressurized lawn and garden irrigation system in Midway. The board agreed to the resulting increased Phase I cost of \$6,300,000, and also agreed to provide 85% of the costs instead of 80%, with the understanding that when all phases of the project are complete, the board's cost sharing will be 80%. The board's \$5,355,000 is being returned in 35 years at 2% interest with annual payments of about \$215,000.

Phase I included the installation of pipeline to the Olympic cross country and biathlon venue about two miles southwest of Midway. The sponsor will obtain a \$1,000,000 grant from the Salt Lake Olympic Committee after the Olympics, which the board made clear (when funds were committed) should be used to reduce the sponsor's obligation to the board.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to construct Phase II of its pressurized irrigation project by installing about 34,000 feet of 24 to 42-inch transmission pipeline, and constructing a 40 acre-foot regulating reservoir. Water will be transported from a diversion on the Provo River to the new reservoir, then sent to the main pressurized agricultural irrigation system south of town, and/or pumped into the Phase I reservoir.

As it did on Phase I, J-U-B Engineers in Orem will do the final design and construction engineering.

COST ESTIMATE:

The following Phase II cost estimate was prepared by the engineer and reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Aluminized Steel Pipe			
	a. 42-inch	11,400 LF	\$50.00	\$ 570,000
	b. 30-inch	8,900 LF	38.20	339,980
2.	Ductile Iron Pipe, 24-inch	13,200 LF	97.00	1,280,400
3.	Provo River Inlet	LS	50,000	50,000
4.	Highway Boring, 36-inch	100 LF	500	50,000
5.	Regulating Reservoir	LS	280,000	<u>280,000</u>
Construction Cost				\$2,570,380
Contingencies				257,620
Reservoir Site Acquisition				350,000
Legal and Administrative				29,000
Design and Construction Engineering				<u>193,000</u>
TOTAL				\$3,400,000

COST SHARING
& REPAYMENT:

The Phase I, proposed Phase II, and combined cost sharing are shown below (thousands of dollars):

<u>Agency</u>	<u>Proposed</u>		<u>Combined</u>	
	<u>Phase I</u>	<u>% of Total</u>	<u>Phase II</u>	<u>% of Total</u>
BWRe	\$ 5,355	85%	\$ 2,414	71%
Sponsor	<u>945</u>	<u>15</u>	<u>986</u>	<u>29</u>
TOTAL	\$ 6,300	100%	\$ 3,400	100%

If the board authorizes Phase II of the project, staff suggests the \$2,414,000 be returned at 2% interest in 19 years according to the following schedule:

<u>Payment No.</u>	<u>Amount</u>
1	\$120,000
2	124,000
3	128,000
4	132,000
5	136,000
6	140,000
7	144,000
8	148,000
9	152,000
10	157,000
11	162,000
12	167,000
13	172,000
14	177,000
15	182,000
16	187,000
17	193,000
18	199,000
19	150,000±

ECONOMIC
FEASIBILITY:

The size and cost of the overall project have both decreased as a result of the sponsor being able to incorporate several existing irrigation systems into the Phase I system, and by requiring that each new subdivision install its own pressurized irrigation system; all other aspects of the project remain unchanged. With the decreased cost, the benefit/cost ratio of the overall project has increased from 1.45 (June, 1997) to about 2.4.

FINANCIAL
FEASIBILITY:

It was determined in the feasibility investigation that the amount of money available to make annual payments to the board when the entire project is finished is \$335,000; included was increased crop production, reduced ditch O&M, and repayment ability of pressurized secondary irrigation users in Midway. The calculated project benefit for Phase II is estimated to be the overall project benefit minus the sponsor's current annual payment (\$335,000 minus \$215,000), or \$120,000. This payment amount will increase 3% annually (see proposed repayment schedule) to match the projected growth rate of Midway City, to a maximum of \$199,000 in the 18th year.

BENEFITS: Phases I and II of the project will increase irrigation efficiency from a present estimated 34% up to around 60%, allowing users to stretch their water supply and reduce shortages. Increased crop yields will be realized, time and expense of maintaining ditches will be reduced, and the effectiveness of the existing Midway City culinary system will be enhanced.

PROJECT SPONSOR: The Midway Irrigation Company was organized in 1862 and officially incorporated in 1880. The company has 3,560 shares of stock, with one share representing one acre. Of the company's 380 shareholders, 10 are large agricultural water users and the rest are small users irrigating horse pastures, lawns, and gardens.

Agricultural shareholders with irrigated areas over one acre are annually assessed \$11 per share plus an additional \$10 administration fee, and receive their water on turns. Secondary irrigation users are assessed a minimum of \$96 annually for small lots (up to 1/4 acre), \$250 annually for large lots (up to 1 acre), and receive their water on demand.

WATER RIGHTS & SUPPLY: The sponsor has many water rights from numerous sources including the Provo River, Snake Creek, and Pine Creek. The following is a complete listing of these water rights:

<u>Source</u>	<u>Right No.</u>	<u>Class</u>	<u>Quantity</u>
Snake Creek	55-11204	1st	58.32 cfs
Ontario Drain Tunnel	55-11203	1st	5.50 cfs
Provo River	55-11205	1st	2.50 cfs
Provo River	55-11297	13th	12.17 cfs
Provo River	55-11302	15th	20.00 cfs
Provo River	55-11381	17th	29.16 cfs

EASEMENTS: Easements and permits will need to be obtained from the state Department of Transportation, Wasatch County, Midway City, and private property owners. The regulating reservoir site will need to be purchased from a private property owner.

ENVIRONMENTAL: The project will be constructed mainly across and along existing roads and through private property, so no long-term impacts are anticipated.

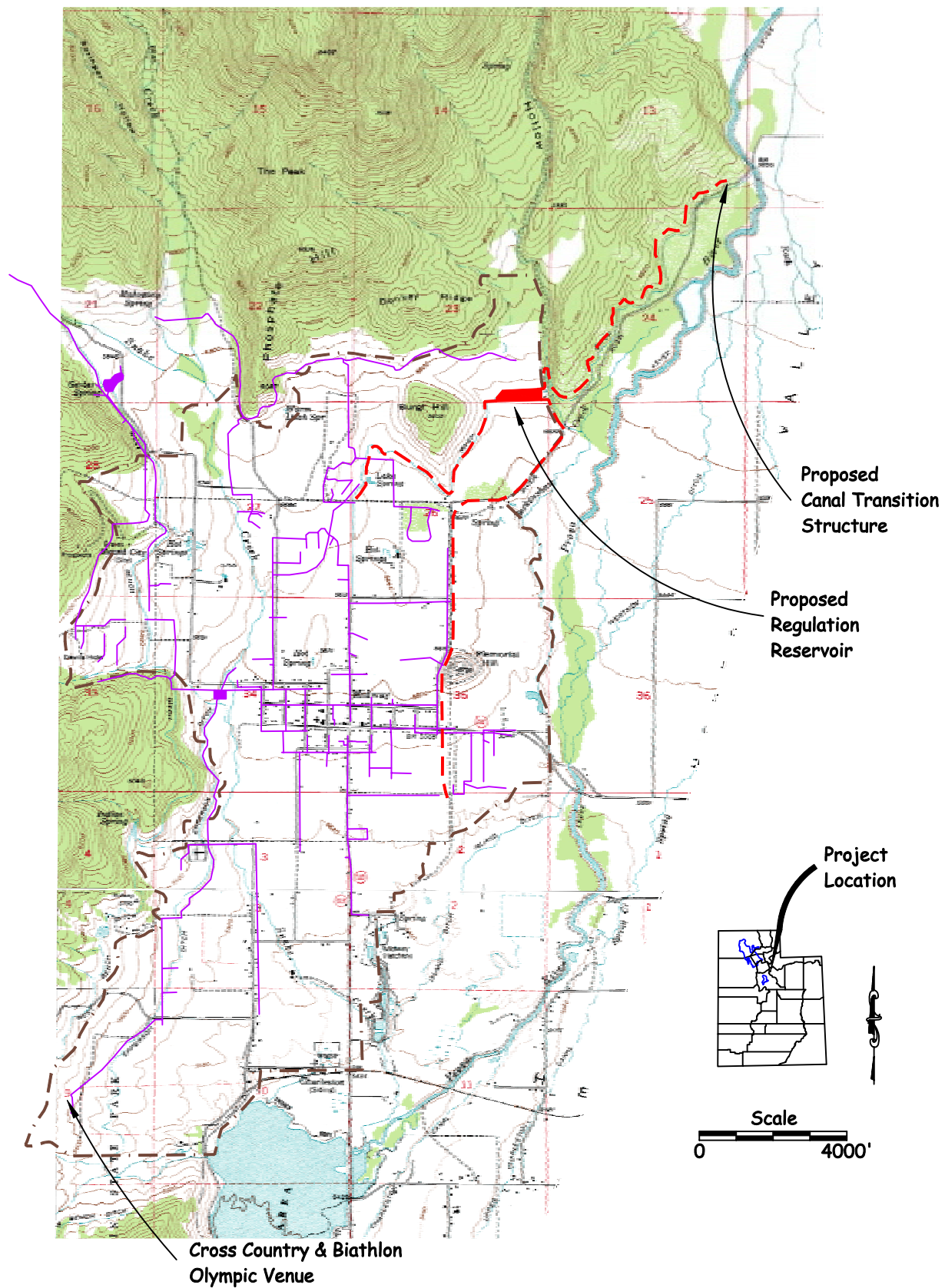
WATER CONSERVATION: The project will conserve water by raising irrigation efficiency from a present 34% up to around 60%.

SPONSOR'S If the board authorizes Phase II, the sponsor must do

RESPONSIBILITIES: the following before construction can begin:

1. Obtain all property, easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have its attorney give the Board of Water Resources a written legal opinion:
 - a. That the company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. That the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. That the company has obtained all easements, rights-of-way, and permits required for the project and that they can be legally transferred to the Board of Water Resources.
 - d. That the company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.
4. Obtain approval of final plans and specifications from the Division of Water Resources.
5. Obtain approval for construction of the regulating pond from the Division of Water Rights.
6. Adopt an ordinance prohibiting its shareholders from irrigating residential landscapes between the hours of 10:00 a.m. and 6:00 p.m.

PROJECT	President:	Steve Farrell
CONTACT		325 West 500 South
PEOPLE:		Midway, UT 84049
		Phone: (435) 654-0513
	Secretary:	Mike Kohlar
		P.O. Box 404
		Midway, UT 84049
		Phone: (435) 654-3728
	Engineer:	J-U-B Engineers
		754 South 400 East
		Orem, UT 84097
		Phone: (801) 226-0393



MIDWAY IRRIGATION COMPANY
 Pressurized Irrigation Project, Phase 2
 Wasatch County

- Midway Irrigation Company Service Area
- Existing Phase I
- - - Proposed Phase II

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **L-541**

Received: 5/14/01

Approved: 6/8/01

To be Presented at the January 25, 2002 Board Meeting

SPONSOR: **TOWN OF BRIAN HEAD**

Mayor: H. C. (Dutch) Deutschlander

LOCATION: The proposed project is located in Brian Head, about nine miles south of Parowan in Iron County.

EXISTING CONDITIONS & PROBLEMS: The Town of Brian Head, a resort community, provides culinary water from springs and wells to 130 houses and 1,060 condominium units, hotel rooms, and commercial establishments. Water demand is greatest in winter during ski season as thousands of visitors, many of whom are overnight guests, populate the area. The culinary system is rated "Approved" by the state Division of Drinking Water.

The culinary system is in need of upgrading to meet current and future needs. The system has some pipes too small to carry required flows at adequate pressures, pipes that leak, inadequate pumping capacity, areas where pressures are too high, an inefficient chlorination system, and no automated system for operating the entire network of wells, pumps, and tanks (operation is difficult due to high elevation topography, remoteness of system components, and time required to access them).

PROPOSED PROJECT: Brian Head is requesting financial assistance from the board to upgrade and improve its culinary water system by redeveloping several springs, reequipping a major well, replacing small and leaky pipes, installing new pipelines, renovating existing pressure regulating stations and installing new ones, adding automated chlorination stations, and installing a radio telemetry system. Bingham Engineering in Salt Lake City will provide design and construction engineering services.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quan.</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Spring Redevelopment			
	a. Mammoth	LS	\$ 90,000	\$ 90,000
	b. Decker	LS	80,000	80,000
	c. Salt Pile	LS	80,000	80,000
2.	Reequip Town Hall Well	LS	35,000	35,000
3.	Pipeline			
	a. Replace 6-inch with 10-inch	6,620 LF	35.00	231,700
	b. Remove & Replace 10-inch	1,400 LF	46.00	64,400
	c. New 12-inch	1,800 LF	40.00	72,000
	d. New 10-inch	3,300 LF	35.00	115,500
4.	Valves & Appurtenances	LS	143,000	143,000
5.	Pressure Regulating Station			
	a. Renovate Existing	9 EA	18,000	162,000
	b. Install New	10 EA	18,000	180,000
6.	Chlorination Station	4 EA	40,000	160,000
7.	Telemetry System	LS	180,000	<u>180,000</u>
Construction Cost				\$1,593,600
Contingencies				159,400
Legal and Administrative				85,000
Design and Construction Engineering				<u>162,000</u>
TOTAL				\$2,000,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,700,000	85%
Sponsor	<u>300,000</u>	<u>15</u>
TOTAL	\$2,000,000	100%

If the board authorizes the project, it is suggested the bonded indebtedness of \$1,700,000 be repaid in 18 years at 5% interest with payments starting at approximately \$117,300 and increasing to approximately \$159,700 (includes reserves).

ECONOMIC
FEASIBILITY:

Since there are no acceptable alternatives to this project to upgrade portions of the town culinary water system, the benefit/cost ratio is assumed to be 1.0.

FINANCIAL
FEASIBILITY:

Based on the board's current water service affordability guidelines, full-time residents of Brian Head could pay up to \$25.24 monthly for water. This is based on the less than 70 tax returns received by the State Tax Commission; it would be difficult and impractical to try to determine the median adjusted gross income of the larger number of visitors using Brian Head water.

Since all houses, condominium units, and hotel rooms pay the same rates for water, and considering the relatively small number of commercial connections (less than ten), the following table may give a general idea of the cost of water with the proposed project in place (1,209 estimated equivalent connections when first payment to board due):

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$ 183,000	\$12.61
Existing CIB Loans	149,500	10.30
Existing BWRe Loan	83,000	5.72
Proposed BWRe Loan	<u>117,300</u>	<u>8.09</u>
TOTAL	\$ 532,800	\$36.72

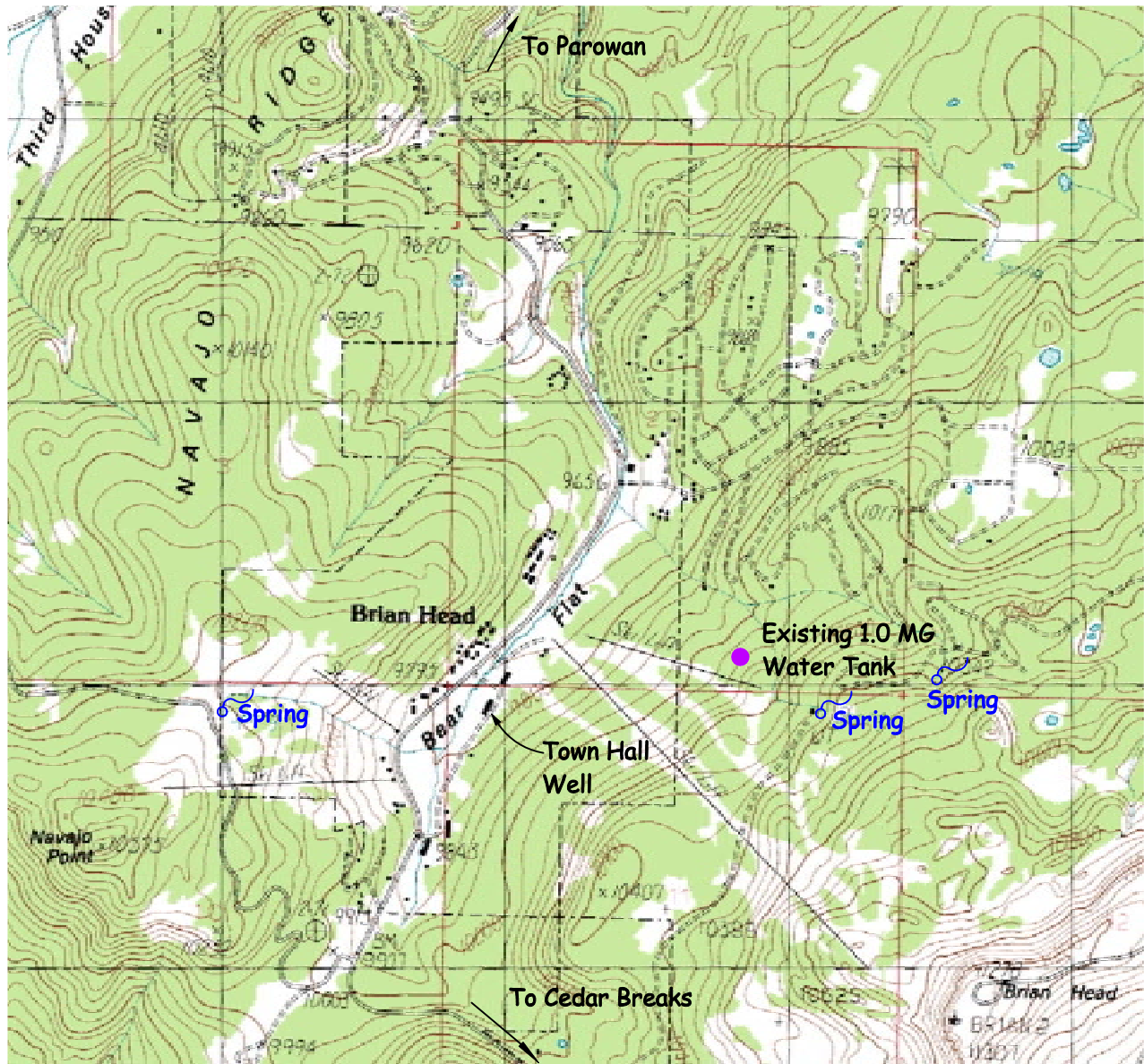
Last October Brian Head raised its monthly water rates for houses, condominiums, and hotel rooms by 50%, to \$36.00; commercial rates were raised to \$66.00 monthly.

BENEFITS:

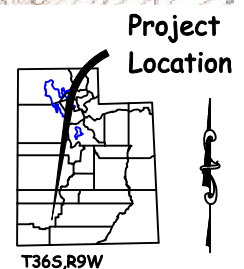
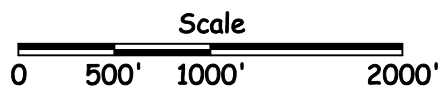
The project will allow the town to obtain more water for current and future needs, allowed by its rights, through well reequipping and springs redevelopment. Upsizing small, and replacing leaky, pipes will improve flows and pressures, and save water plus maintenance time and expense. More effective and efficient disinfection will be accomplished, as will overall system operation through telemetry.

PROJECT SPONSOR:	The Town of Brian Head was incorporated in 1975 and its 2000 census year-round population was 118. In 1979, with board assistance, it purchased the existing Brian Head water system and added a million gallon storage reservoir; that loan is paid. In 1993 the board provided \$2.1 million about equally divided between culinary system improvements and snowmaking development. The loan for the improvements is being paid at about \$83,000 annually from water revenues, and the loan for snowmaking is being paid at about \$92,000 annually from ski lift ticket revenues; both loans mature in 2019.
WATER RIGHTS & SUPPLY:	<p>The town has water rights 75-661, 75-662, 75-663, and 75-664 as amended by a13560, for a total of 234.66 acre-feet/yr. It also has right 75-1704 (a13135a and a17198) for 250 acre-feet/yr. for snowmaking and other recreational uses. Additionally, the town has a lease agreement with Parowan Reservoir Company for 331 acre-feet/yr. from rights 75-1514 (a5618 and a12265) and 75-1515 (a6655 and a12265). The leased water is collected from developed springs.</p> <p>Brian Head has sufficient water rights for existing needs and growth in the next several years. The existing source capacity of 585 gpm, however, does not meet state Drinking Water regulations for peak demands. Installation of a larger pump in the Town Hall Well, and redeveloping existing springs, will increase that source capacity. The town is also trying to purchase additional water rights to prepare for growth.</p>
EASEMENTS:	Most work will be done on town land or within existing easements.
ENVIRONMENTAL:	Since construction will be primarily on property previously disturbed by residential, road, and water system development, minimal impact is expected.
WATER CONSERVATION:	<p>The proposed project will eliminate leaks and provide a more efficient water system. With only 40 frost-free days per year, there is little outside water use.</p> <p>Brian Head will be required, as a condition of project funding, to prepare a water management and conservation plan and obtain approval of it from the division.</p>
SPONSOR'S RESPONSIBILITIES:	The town will be required to make all arrangements to sell the board a revenue bond as well as verify it has adequate water rights and rights-of-way to construct the project. If the project is authorized, a list of procedures and requirements necessary to close the loan will be furnished to the town.

PROJECT	Mayor:	H.C. (Dutch) Deutschlander
CONTACT		P.O. Box 190068
PEOPLE:		Brian Head, UT 84719
		Phone: (435) 677-2029
	Director of Public Works:	Grey Fairbanks
		P.O. Box 190068
		Brian Head, UT 84719
		Phone: (435) 677-2029
	Engineer:	Bingham Engineering
		5160 Wiley Post Way
		Salt Lake City, UT 84116
		Phone: (801) 532-2520



BRIAN HEAD TOWN
 Culinary System Upgrade
 Iron County



BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-063**
Received: 10/30/01
Authorized: 12/14/01

To be Presented at the January 25, 2002 Board Meeting

SPONSOR: **LEAMINGTON IRRIGATION COMPANY**

President: Sylvan Lovell
41 South 500 West
Leamington, UT 84638
Phone: (435) 857-2354

LOCATION: The proposed project is located just west of the town of Leamington, about 22 miles northeast of Delta in Millard County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to replace a ditch with 3,700 feet of 21-inch PVC pipeline, and construct two concrete transition structures and eight turnouts.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 68,000	85%
Sponsor	<u>12,000</u>	<u>15</u>
TOTAL	\$ 80,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the sponsor will purchase the project with annual payments of \$3,700 at 0% interest over approximately 19 years.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-066**
Received: 12/7/01

SPONSOR: ***EAST ZION SPECIAL SERVICE DISTRICT***

Chairman: Joe Judd
999 S. Hamblin Dr.
Kanab, UT 84741
Phone: (435) 644-2106

LOCATION: The proposed project is located in western Kane County, about 13 miles west of Mount Carmel.

PROPOSED PROJECT: The sponsor is requesting assistance to drill and equip a culinary water well, install pipe from it to existing water facilities, and construct a 250,000 gallon storage tank.

WATER RIGHTS:	81-1618	:	10.14 acre-feet
	81-4308	:	63 acre-feet
	81-4348	:	15 acre-feet
	81-4393	:	10 acre-feet

COST ESTIMATE: \$790,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-067**
Received: 12/5/01

SPONSOR: **MAYFIELD IRRIGATION COMPANY**

President: Garth Vest
Box 9
Mayfield, UT 84643
Phone: (435) 528-3198

LOCATION: The proposed project is located eight miles east of Mayfield Town, which is about ten miles south of Manti in Sanpete County.

PROPOSED PROJECT: The sponsor is requesting assistance to upgrade and raise Town Dam.

WATER RIGHTS: The Cox Decree allows the sponsor to store 250 acre-feet. It would like to move water that cannot be stored in its Twin Lakes Reservoir to an enlarged Town Reservoir.

COST ESTIMATE: \$250,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-068**
Received: 12/21/01

SPONSOR: **MAGNA WATER COMPANY, AN IMPROVEMENT DISTRICT**

Manager: Edwin J. Hansen
2711 South 8600 West
Magna, UT 84044
Phone: (801) 250-2118

LOCATION: The proposed project is located in and around the Magna area in the northwestern portion of Salt Lake Valley.

PROPOSED PROJECT: The sponsor is requesting assistance to construct the first phase of a pressurized secondary irrigation system. Phase I will include a 5 acre-foot storage reservoir, 13,000 feet of pipeline, and a 5 cfs pump station.

WATER RIGHTS: The sponsor has numerous underground water rights.

COST ESTIMATE: \$1,540,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-069**
Received: 1/14/02

SPONSOR: **NEW SANTA CLARA FIELD CANAL COMPANY**

President: James N. Ence
800 Old Farm Road
Santa Clara, UT 84765
Phone: (435) 673-3929

LOCATION: The proposed project is located in the City of Santa Clara, about five miles northwest of St. George in Washington County.

PROPOSED PROJECT: The sponsor is requesting assistance to construct a pressurized secondary irrigation system in Santa Clara.

WATER RIGHTS: 81-1148 for the irrigation of 392 acres.

COST ESTIMATE: \$2,437,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **L-543**

Received: 1/3/02

SPONSOR: **BEAVER CITY**

Mayor: James E. Robinson
60 West Center Street
Beaver, UT 84713
Phone: (435) 438-2451

LOCATION: The proposed project is located within Beaver City in Beaver County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace 1,150 old water meters in its culinary water system, and install an automated meter reading system.

WATER RIGHTS: The city has numerous spring, well, and Beaver River rights, as well as storage in Kent's Lake.

COST ESTIMATE: \$196,000

Unapproved
M INUTES

BOARD OF W ATER RESOURCES
BRIEFING M EETING

D ecem ber 14, 2001

Room 314, U tah D ivision of W ater Resources
D epartm ent of N atural Resources
1594 W est N orth T em ple
Salt Lake C ity, U tah

BOARD OF WATER RESOURCES

Briefing Meeting
December 14, 2001

The Board of Water Resources met in a briefing session on December 14, 2001 at 8:30 a.m. in Room 314 at the Utah Division of Water Resources.

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Ivan Flint
Brad Hancock
Clea Bradford
Harold Shirley
Paul Riley
Bill Marcovecchio

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Assistant Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Eric Millis, Chief, River Basin Planning

VISITORS

Russ Donoghue, Rural Water Association of Utah

Chair Lucille Taylor called the briefing meeting to order. She welcomed Russ Donaghue, who is Executive Director of the Rural Water Association of Utah. She said she had known him and his parents for a long time.

Director Anderson talked about the pending appointment of Kathleen Clarke as the new director of the Bureau of Land Management. After she is confirmed by the U.S. Senate, the Governor will appoint the new executive director of the Department of Natural Resources. Mr. Anderson said Art DuFault, Director of Forestry, Fire and State Lands, transferred to SITLA; and John Kimball, Director of Wildlife Resources, is retiring. The new department director will need to appoint their replacements.

DISCUSSION OF PROJECTS

Warren Peterson said the Leamington Irrigation Company needs to replace its leaking ditch with some pipeline and is requesting \$68,000 from the Board of Water Resources. Director Anderson said it is a straightforward project and should not be controversial.

Director Anderson said Dennis Strong and Steve Wilde have been working with the Attorney General's office regarding the Summit Water Distribution Company's project. There have been numerous legal challenges and lawsuits regarding the project. Mountain Regional Water Special Service District attempted to condemn the company and take over the sponsor's system, but the court rejected the claim.

The Board reauthorized the Summit Water Distribution Company's project in November, 2000; and the company has complied with all of the requirements and is now requesting commitment of funds for its water treatment plant. The company has two water rights that are free and clear and can be transferred to the Board, but three water rights are currently in the State Engineer's administrative hearing process. Director Anderson said the two water rights are more than adequate security to guarantee the Board's financial assistance. After considerable discussion, staff suggested the Board should require the company to transfer the other three water rights to the Board if and when the legal challenges to the rights are resolved since that water will be run through the treatment plant. The Board will take title to the facilities and the water that goes through the treatment plant. Ivan Flint said he is familiar with the company and the project and has talked with the company's attorney. Since the sponsor does not intend to dry up East Canyon Creek, he is satisfied with the project.

Dennis Strong said the Fennon Canal and Reservoir Company would not be at the Board meeting to request commitment of funds since the project is the same as the Board authorized. Steve Wilde said it is a seven-phase project and they have built the first three phases. They built the pipeline with federal money. The company requests the Board commit the \$2 million authorized to purchase materials and install the Molen Ditch Group system. Mr. Bradford said there are deadlines on each of the phases and they require separate bidding. Director Anderson said the company is acting as its own contractor; but since there are federal funds involved, they have to comply with federal requirements.

Bill Marcovecchio said the Herriman Pipeline and Development Company project is ready and the company is requesting commitment of funds. Mr. Wilde said the company wants to do some spring development work that was not part of the authorization which has caused the project cost to increase. Staff thinks it is a good idea to develop springs in Rose Canyon. The company wants an extra \$52,000 from the Board with the same repayment time of 10 years. Mr. Marcovecchio said now is the time to do the work on the springs before more building is done in the area.

Chair Taylor asked Paul Riley if he had questions on the proposed request from the Irrigation Company of the West Fork of Grouse Creek. Mr. Wilde said the Board helped this company several years ago with the installation of a gravity pressurized system that tied into Etna Reservoir. The agreement with the Board stated all payments through the year 2000 would be \$24,000; in 2001 the payment would go up to \$32,000. Mr. Gould, the company president, wrote a letter requesting the company's payments remain the same for one more year since its water supply has been low the past several years, leading to reduced crop yields; and it has had to depend more on feeding hay to its livestock because of the drought and range fires. After talking to the NRCS, staff suggests the Board approve the company's request and amend the contract provided the sponsor is current on its repayments.

Steve Wilde said the Board committed funds to North Salt Lake City in June, 2000; but the city ran into unexpected conditions during project construction. When excavation began on the tank site, unstable soils were discovered that had to be excavated approximately twice as deep as originally estimated. In addition to extra costs associated with the overexcavation, there were other additional costs, which increased the project cost by \$550,000. The city is requesting an additional \$440,000 from the Board. Staff recommends the bond be amended to provide the additional funds and to state the city will repay the bonded indebtedness in 13 years.

Chair Taylor said Loa Town received funding from the Community Impact Board so staff recommends withdrawing the application from further consideration by the Board.

OTHER ITEMS

Director Anderson asked the Board members to look at the tentative schedule for next year's Board meetings. Staff requests the January Board meeting be held on January 25 rather than January 18 as shown. Staff will work with the respective Board members on the tours in their areas.

Mr. Peterson suggested some nonsubstantive changes be made in the wording of the Guidelines for Applicants on pages 3 and 4. Chair Taylor asked if there were any objections to making the changes. Director Anderson said staff would make the changes.

Mr. Peterson talked about some of the proposed legislation he had been involved with regarding water forfeiture amendments and forfeited water right allocation. He said the bills are posted on the legislative web site.

Director Anderson said he heard rumors that the Governor wants to take the 1/16% sales tax monies that come to the water funding agencies to use for other purposes because of the budget shortfall. The Board of Water Resources receives about \$8 million per year from those funds.

Cleal Bradford said Director Anderson made an excellent presentation regarding water conservation issues at the Community Impact Board meeting. He suggested CIB adopt the same policy as the Board of Water Resources adopted, but some of the members had concerns about the regulations so no action was taken by the CIB. Mr. Bradford said there was support for requiring adoption of conservation plans but not for requiring time-of-day watering ordinances or progressive water rate schedules.

The Board members were told about the Uinta Basin Water Conference that is being held on January 29 and 30, and also about a workshop for agricultural water suppliers being held in Provo on January 11.

The Briefing meeting adjourned at 9:50 a.m.

Unapproved
M INUTES OF THE
BOARD OF W ATER RESOURCES M EETING
D ecem ber 14, 2001

Auditorium
D epartm ent of N atural R esources B uilding
1594 W est N orth T em ple
S alt L ake C ity, U tah 84116

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY OF BOARD ACTIONS	ii
THOSE PRESENT	iii
APPROVAL OF MINUTES	1
CHAIR'S REPORT	1
WATER SUPPLY REPORT	1
FEASIBILITY REPORT	
#E063 Leamington Irrigation Company	1
COMMITTAL OF FUNDS	
#D776 Summit Water Distribution Company	2
#D942 Feron Canal and Reservoir Company	2
#E055 Herriman Pipeline Development Company	3
SPECIAL ITEMS	
#D905 Irrigation Company of the West Fork of Grouse Creek	3
#L530 North Salt Lake	4
#L542 Loa Town	4
APPROVAL OF NEXT YEAR'S BOARD MEETING SCHEDULE	5
DIRECTOR'S REPORT	5
NEXT BOARD MEETING	5

Attachment – 2002 Board Meeting Schedule

SUMMARY OF BOARD ACTIONS

1. The Minutes of the November 2, 2001 meetings were approved with some grammatical corrections. page 1
2. The Leamington Irrigation Company project was authorized in the amount of \$68,000 (85%) to be purchased with annual payments of \$3,700 at 0% interest over approximately 19 years. page 2
3. The Board committed funds to the Summit Water Distribution Company in the amount of \$3 million (24.2%) to be returned in approximately 14 years at 5% interest with escalated repayments. The two water rights will be turned to the Board for collateral and the other three water rights, when they are cleared by the State Engineer's office, will be transferred to the Board of Water Resources before they are used as water supply in the treatment plant. page 2
4. Funds were committed to the Ferron Canal and Reservoir Company in the amount of \$2 million (35%) to be returned at 3% interest over not more than 25 years with annual payments of \$60,000 the first year, \$90,000 the second, and \$120,000 thereafter. page 3
5. The Board committed funds to the Herriman Pipeline and Development Company in the amount of \$637,000 (80%) to be returned in 10 years at 0% interest with annual payments ranging from approximately \$33,000 to \$73,000. page 3
6. The contract for the Irrigation Company of the West Fork of Grouse Creek was amended to make the December 1, 2001 payment \$24,000, and all subsequent payments \$32,000. page 4
7. The contract for North Salt Lake was amended to provide an additional \$440,000. The city will repay the \$1.158 million bonded indebtedness in 13 years at 1.8% interest beginning in 2002, with payments ranging from about \$21,000 to \$344,000. page 4
8. The Loa Town application was withdrawn from further consideration by the Board. page 4
9. The 2002 Board Meeting Schedule was approved. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, December 14, 2001 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Lucille Taylor presided over the 10:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Brad Hancock
Ivan Flint
Paul Riley
Bill Marcovecchio
Clea Bradford
Harold Shirley

STAFF MEMBERS:

D. Larry Anderson, Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Ron King, Public Affairs Officer
Ben Everitt, Chief Geologist
Eric Mills, Chief, River Basin Planning
Steve Wilde, Chief, Investigations
Tom Cox, Engineer
Gina Hirst, Engineer
Val Anderson, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Ray Wilson, USDA-NRCS, Snow Survey
Russ Donoghue, Executive Director, Rural Water Association
Chris Hogge, Engineer, Weber Basin Water Conservancy District
Doug Nielsen, Project Manager, Sunrise Engineering
Jonathan Ward, Vice-president, Zions Bank Public Finance
Alex Buxton, Asst. Vice-president, Zions Bank Public Finance

OTHERS PRESENT CONT'D :

Sylvan, Lovell, President, Leamington Irrigation Company
Elmo Neilsen, Vice-president, Leamington Irrigation Company

Hy Saunders, President, Summit Water Distribution Co.
Stuart Knowles, Shareholder, Summit Water Distribution Co.
Lynn H. Nelson, Summit Water Distribution Co.
Bob Valentine, Summit Water Distribution Co.
Frank Amendola, Summit Water Distribution Co.
Van J. Martin, General Manager, Summit Water Distribution Co.
John Leo Davis, Attorney
John Flitton, Attorney
Grant S. Cooper, Engineer
Tena Campbell, Engineer, Carter & Burgess Inc.

Lynn Egbert, President, Hemmigan Pipeline & Development Co.
Don Olsen, Epic Engineering

Frank Gould, President, Irrigation Co. of the West Fork of Grouse Creek
Dusty LaBarr, Irrigation Co. of the West Fork of Grouse Creek

Rod Wood, Public Works Director, North Salt Lake City
Jason Birmingham, Principal, Lewis Young Robertson & Birmingham
Brian Campbell, Engineer, ESI Engineering
Paul Ottosen, City Engineer, North Salt Lake City
Brian Passey, North Salt Lake City

M INUTES OF THE
BOARD OF W ATER RESOURCES M EETING
D ecem ber 14, 2001

Chair Taylor welcomed everyone to the Board meeting.

A PPROVAL OF THE M INUTES

Cleal Bradford made the motion seconded by Paul Riley to approve the minutes with some grammatical corrections. The Board agreed.

C H A I R ' S R E P O R T

Warren Peterson reminded the Board that Board member Harold Shirley is completing 12 years as Mayor of Cedar City; he has served long and well as mayor. Chair Taylor welcomed Russ Donoghue of the Rural Water Users, and Chris Hogge of the Weber Basin Water Conservancy District. Chair Taylor referred to a letter in the Board folder addressed to her from Governor Leavitt saying he appreciated the Board's work, and thanked the Board for requiring municipal water suppliers who come to ask for financial assistance to submit water conservation plans, adopt time-of-day landscape water ordinances prohibiting watering lawns between 10 a.m. and 6 p.m., and implement a water conservation water rate schedule.

W A T E R S U P P L Y R E P O R T

Ray Wilson of the NRCS reported the state has received more snow pack this water year than in the last five years. The southern part of the state received less than the northern. Reservoir storage is down especially in the north; Quail Creek is about the same. Mr. Wilson said the stream flow forecast begins in January.

F E A S I B I L I T Y R E P O R T

#E063 Leamington Irrigation Company

Chair Taylor introduced Sylvan Lovell, president; and Elmo Nielsen, vice-president. Val Anderson reported the company is requesting financial assistance to replace the Lovell Ditch with 3,700 feet of 21-inch PVC pipeline as it loses an estimated 100 acre-feet annually to seepage, and the company has O & M costs of about \$800 annually. The NRCS will design the project and inspect construction. The project is estimated to cost \$80,000. The Board extended financial assistance to the company on one previous occasion; annual payment of about \$1,400 is being made to the Board through 2003 for that project.

Mr. Lovell said they appreciate the Board considering authorization at this time as they need to proceed with the project. Val Anderson has provided them with information necessary for commitment of funds.

Paul Riley stated because of Warren Peterson's conflict of interest he would make the motion to authorize the Leamington Irrigation Company project in the amount of \$68,000 (85%) to be purchased with annual payments of \$3,700 at 0% interest over approximately 19 years. Bill Marovecchio seconded the motion and the Board agreed unanimously. Warren Peterson abstained from voting.

COMMITMENT OF FUNDS

#D 776 Summit Water Distribution Company

Chair Taylor introduced Hy Saunders, president; Lynn Nelson, Bob Valentine, Stuart Knowles, Fran Amendola, shareholders; Van J. Martin, general manager; John Leo Davis and John Flitton, attorneys; and Grant S. Cooper and Tena Campbell, engineers. Val Anderson reported the company is requesting financial assistance to construct a 6.5 MGD microfiltration culinary water treatment plant. The project is presently under construction and scheduled for completion in April, 2002. Although the project cost has increased from \$11.32 million to \$12.4 million, the Board's cost share remains the same at \$3 million.

Ivan Flint mentioned there is competition in Summit County, especially Park City area, with two water projects being considered. He said in his opinion both projects were needed and didn't need to take the place of or interfere with the other. Mr. Flint said the two water rights used for collateral are in good standing. He made the motion to commit funds to the Summit Water Distribution Company in the amount of \$3 million (24.2%) to be returned in approximately 14 years at 5% interest with escalated repayments. The two water rights will be turned to the Board for collateral and the other three water rights, when they are cleared by the State Engineer's office, will be transferred to the Board of Water Resources before they are used as water supply in the treatment plant. Norm Johnson said the contract would contain this language. Paul Riley seconded the motion, and it was agreed upon by the Board.

#D 942 Fennon Canal and Reservoir Company

Tom Cox reported the Fennon Canal and Reservoir Co. has completed three phases of its project and is now ready to proceed with installation of the Molen Ditch Group system over the next two years. Pipe was purchased using federal funds. The company is requesting the Board commit the \$2 million authorized to purchase fittings and install the system. Federal funds have been reserved for the final two phases (Clawson and Rock Canyon Ditch groups) that will be constructed at a later date. Director Anderson explained the Colorado River Basin Salinity Control program that is responsible for providing the federal funding used for projects affected by salt getting into the river system.

Clay Bradford made the motion to commit funds to the Feron Canal and Reservoir Company in the amount of \$2 million (35%) to be returned at 3% interest over not more than 25 years with annual payments of \$60,000 the first year, \$90,000 the second, and \$120,000 thereafter. Bill Marcovecchio seconded the motion and the Board agreed. Warren Peterson abstained.

#E055 Herminan Pipeline and Development Company

Chair Taylor introduced Lynn Egbert, president; and Don Olsen, engineer from Epic Engineering. Gina Hirst reported the company is requesting financial assistance to improve its culinary system and also for development work on its springs in Rose Canyon, which was not part of the project authorized by the Board.

Based on final design, plus the requested addition of the spring development work, the current cost estimate exceeds that authorized. The total project cost is now \$796,000. Mr. Egbert said because of the demand on the springs during last year's drought it was determined the springs needed to be updated, and the company decided to do the whole project at once instead of doing it over several years. The company is therefore requesting additional funds to cover the cost of the spring repair. Lucille Taylor asked how soon they planned to do the work. Mr. Egbert said because of the snow in the area they will not be able to proceed until spring.

Bill Marcovecchio said he had toured the project and felt it was better to take care of the spring repair now before building gets more intense in the area. He made the motion to commit funds to the Herminan Pipeline and Development Company in the amount of \$637,000 (80%) to be returned in 10 years at 0% interest with annual payments ranging from approximately \$33,000 to \$73,000. Ivan Flint seconded the motion, and it was agreed upon by the Board.

SPECIAL ITEMS

#D905 Irrigation Company of the West Fork of Grouse Creek

Chair Taylor introduced Frank Gould and Dusty LaBarr. Steve Wilde reported several years ago the Board provided about \$308,000 to the company to improve its agricultural irrigation system in the extreme northwestern corner of the state. The irrigation company is requesting its 2001 payment due this month be \$24,000 instead of \$32,000, and payments from 2002 on be \$32,000 because the drought caused a 25% -65% reduction in grazing areas, and also, fires in the upper parts of the Grouse Creek drainage area have caused the BLM to hold the sponsor off its grazing allotments for this year and likely next year. Due to the reduced crop yield the company has had to depend more on hay for livestock with less opportunity for range feeding.

Paul Riley asked Mr. Gould if the company had made the \$24,000 payment. Mr. Gould said they had. Mr. Riley made the motion to amend the contract for the Irrigation Company of the West Fork of Grouse Creek and make the December 1, 2001, payment \$24,000, and all subsequent payments \$32,000. Warren Peterson seconded the motion and the Board agreed unanimously. Director Anderson said he wanted the company to be aware that because the contract is written for the payment to be \$32,000 in December, 2001, a penalty may be charged.

#L530 North Salt Lake

Chair Taylor introduced Rod Wood, Brian Passey, Paul Otteson, Brian Campbell and Jason Burningham. In June 2000, the Board committed \$718,000 to the city as part of an interest rate buydown; the city obtained a \$1.461 million market loan to upgrade the city's culinary water system in phases.

When excavation began on the tank site, it was realized there were other unstable soils that were not discovered when the geotechnical studies were conducted. They had to import compacted fill in order to stabilize the foundation. The second phase was to retrofit, clean and deepen the Flying J well. An extra room was also added to the pump house for fluoridation equipment. The city just completed drilling another new well, which will produce 1,500 gpm instead of the anticipated 800 gpm. Because of this, the city would like to enlarge the pipeline planned to run from the well to an existing reservoir. The increased cost of the project is \$550,000.

Mr. Wood said they had completed most of the phases of the project. He also said they had asked their residents to conserve water and because of courses taught through Utah State University they had conserved 12% over the previous year. He said the city was in the middle of a thorough study of its water rates. He said because of the above, the city will be fiscally sound in 2002.

Ivan Flint made the motion to amend the contract for North Salt Lake and provide an additional \$440,000. The city will repay the \$1.158 million bonded indebtedness in 13 years at 1.8% interest beginning in 2002, with payments ranging from about \$21,000 to \$344,000. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#L542 Loa Town

The Community Impact Board voted to fund the Loa Town culinary water system improvements, therefore, staff recommends its application be withdrawn.

Warren Peterson made the motion to withdraw the Loa Town application from further consideration by the Board, seconded by Cleal Bradford and agreed upon unanimously by the Board.

APPROVAL OF NEXT YEAR'S BOARD MEETING SCHEDULE

Harold Shirley made the motion to approve the amended 2002 Board meeting schedule (copy attached). Paul Riley seconded the motion and it was agreed upon by the Board.

DIRECTOR'S REPORT

Director Anderson asked Lloyd Austin, Asst. Director, to introduce two new division employees. They both work for Lyle Summers; Molly Waters is the new Water Conservation Coordinator and Rick Webster is the new Water Education Coordinator. They each introduced themselves and told of their background. Chair Taylor welcomed both of them and said the Board looked forward to working with them.

Director Anderson said during the Olympics the division office will be open from 6:00 a.m. to 2 p.m. in order to reduce local traffic.

Mr. Anderson said Kathleen Clarke is being voted on in the U.S. Senate for her appointment as Bureau of Land Management director. Director Anderson said he attended and testified at the U.S. House of Representatives field hearing in Las Vegas regarding the "Implementation of the California Plan for the Colorado River".

NEXT BOARD MEETING

The next Board meeting will be held January 25, 2002 at 1:00 p.m. in Salt Lake City at the Department of Natural Resources building.

Board meeting adjourned at 11:30 a.m.

Approved
M INUTES

BOARD OF W ATER RESOURCES
BRIEFNG M EETING

N ovem ber 2, 2001

Room 314, U tah D ivision of W ater Resources
D epartm ent of N atural Resources
1594 W est N orth T em ple
S alt L ake C ity, U tah

BOARD OF WATER RESOURCES

Briefing Meeting
November 2, 2001

The Board of Water Resources met in a briefing session on November 2, 2001 at 12:00 noon at the Utah Division of Water Resources

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Ivan Flint
Brad Hancock
C Neal Bradford
Harold Shirley
Paul Riley

Not Present
Bill Marcovecchio

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Eric M. Ellis, Chief, River Basin Planning

VISITORS

Norm Johnson, Attorney General's Office
Sherm Hoskins, Department of Natural Resources

After the Board members ate lunch, Chair Lucille Taylor called the briefing meeting to order and welcomed everyone. She congratulated Ivan Flint for the awards he received at the National Water Resources Association annual conference.

Director Anderson informed the Board that Dennis Strong had been appointed as the Acting Deputy Director for the Department of Natural Resources for the next 30 to 60 days. Hugh Thompson is the Acting Department Executive Director until a new director is selected. A new director will be named after Kathleen Clarke has been confirmed by the U.S. Senate to be the director of the Bureau of Land Management. Sherm Hoskins is the Deputy Director assigned to the Division of Water Resources. All of the Board members congratulated Mr. Strong for his new assignment. Mr. Anderson said he appointed Lloyd Austin as the Acting Deputy Director for the Division of Water Resources, and Steve Wilde as the Acting Assistant Director.

DISCUSSION OF PROJECTS

Steve Wilde explained the proposed project for the Fremont Waterworks Company. He said they would be getting a grant and loan from Rural Development. Chair Taylor commented about the high monthly water connection costs for the proposed project. Mr. Wilde said it is about 1.4 times the board's water service affordability guidelines so staff recommended a moderate repayment for the first 12 years.

Paul Riley said he attended the project investigation for Wellsville-Mendon Conservation District. He thought the sponsor wanted to extend the canal lining further than shown in the staff's report. Mr. Wilde said he was not aware of any changes to the proposed project. He suggested Mr. Riley ask the sponsor about the length of the lining at the Board meeting. Mr. Wilde said normally staff would recommend this type of project be funded from the Revolving Construction Fund, but the Board cannot take title to the water because it is owned by the Bureau of Reclamation. Therefore, staff recommended the project be funded from the Conservation and Development Fund through the purchase of a bond.

Ivan Flint said he toured the Morgan Secondary Water Association project with Jan Turner, the president of the company. Director Anderson said the Board authorized the cost sharing of the project with 85% of the cost from the Board and 15% from the sponsor, but told the sponsor to work with staff before funds were committed. The company requested 95%-5% cost sharing terms. Staff compromised with the sponsor and recommended 90% from the Board and 10% from the sponsor. The secondary water system will cut down on the amount of high quality culinary water used. The Board members felt Morgan City should participate more in the project. Dennis Strong said the same people are involved, and the residents will pay the debt. The city owns a lot of the water stock in the company. Director Anderson suggested the city should pass an ordinance requiring the residents to hook onto the system and say they cannot use drinking water to water their lawns.

Steve Wilde said the Grantsville Irrigation Company's pipeline replacement project was authorized in the September Board meeting. The company submitted everything but plans and

specifications; the engineer is putting those together and will submit them to staff. The proposed cost estimate and sharing remain the same as authorized.

Chair Taylor read a list of new applications that have been received since the last Board meeting from Hooper Irrigation Company, Ephraim Irrigation Company, and Porcupine Highline Canal Company.

OTHER ITEMS

Memorandum of Understanding

Director Anderson handed out and reviewed a memorandum of understanding with School and Institutional Trust Lands Administration (SITLA) and the Department of Natural Resources. He said all of the divisions within the department were requested to present the document to their boards and ask for their comments. Mr. Anderson said Steve Boyden, the new director of SITLA, worked as an attorney at the Department of Natural Resources. Chair Taylor read a portion of page 11 of the memorandum regarding the Board/Division of Water Resources. The Board members were encouraged to read the document and call Nancy if they have comments or concerns.

Capital Replacement Fund

Chair Taylor said at the last briefing meeting, the Board members discussed the possibility of a capital improvement fund being added to the Board's policies and procedures. She asked Warren Peterson and Brad Hancock to work with Larry Anderson and Dennis Strong to come up with suggested language for the Board members to consider.

Warren Peterson said he felt it was important to encourage communities to have a capital replacement fund built into the rate structure and in-pact fees. There was considerable discussion about requiring or encouraging a replacement fund and how it could be enforced. There was also a discussion about including it in the Board's guidelines.

Chair Taylor said she would like to see some specific language to review if the Board wants to include the requirement in its policies and guidelines.

Modification of Guidelines

Dennis Strong said staff decided as long as they were adding conservation requirements to the Board's guidelines, they wanted to make other modifications. The Board reviewed the guidelines page by page.

After considerable discussion, Paul Riley made a motion, seconded by Harold Shirley, to approve the suggested modifications to the guidelines. The Board unanimously agreed. After Nancy Fuller explained the rule-making process, Cleal Bradford made the motion to advance

the modified guidelines to rulemaking. Harold Shirley seconded the motion, which was passed unanimously by the Board.

Cleal Bradford commented about the Community Impact Board meeting he attended the day before. The board members want Director Anderson to come to their next meeting and explain the Board's suggestions for water conservation issues.

Board Meeting Schedule

Director Anderson encouraged the Board members to review the proposed schedule for next year's Board meetings. He said staff did not schedule any meetings out of Salt Lake City and asked them to let staff know if they would like meetings in their areas.

Cleal Bradford said he would like to invite the Board to the Blanding area in September. Warren Peterson suggested the Board tour the Richfield area and look at the Piute Dam.

The briefing meeting adjourned at 1:50 p.m.

Approved
M INUTES OF THE
BOARD OF W ATER RESOURCES M EETING
N ovem ber 2, 2001

Auditorium
D epartm ent of N atural Resources Building
1594 W est N orth T em ple
Salt Lake C ity, U tah 84116

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY OF BOARD ACTIONS	ii
THOSE PRESENT	iii
APPROVAL OF MINUTES	1
FEASIBILITY REPORT	
#E057 Fremont Waterworks Company	1
#E058 Wellsville-Mendon Conservation District	2
COMMITTAL OF FUNDS	
#E031 Morgan Secondary Water Association	2
#E050 Grantsville Irrigation Co	3
CLOUD SEEDING	3
DIRECTOR'S REPORT	4
NEXT BOARD MEETING	4

SUMMARY OF BOARD ACTIONS

1. The Minutes of the September 20 and 21, 2001 Board meetings were approved as prepared. page 1
2. The Fremont Waterworks Company project was authorized at \$150,000 (19%) at 0% interest with annual payments of \$1,000 the first 11 years and \$2,000 to approximately \$28,000 the next 13. page 2
3. The Board authorized the Wellsville-Mendon Conservation District project in the amount of \$192,000 (80%) to be purchased with annual payments of \$22,000 at 3.2% interest over approximately 11 years. page 2
4. Funds were committed to the Morgan Secondary Water Association in the amount of \$2.79 million (90%) to be purchased in 25 years at 2% interest with annual payments beginning at about \$119,000 and increasing to about \$180,000. page 3
5. The Board committed funds to the Grantsville Irrigation Co. in the amount of \$288,000 (80%) to be purchased with annual payments of \$12,000 at 0% interest over approximately 25 years. page 3
6. The Board approved \$150,000 not to exceed 50% of the total project cost for the cloud seeding program. page 3

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, November 2, 2001 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Lucille Taylor presided over the 2:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Brad Hancock
Ivan Flint
C Neal Bradford
Harold Shirley
Paul Riley

Bill Marcovecchio was absent.

STAFF MEMBERS:

D. Larry Anderson, Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Tom Cox, Engineer
Gina Hirst, Engineer
Shalaine DeBernardi, Engineer
Geraldine Murdock, Executive Secretary

OTHERS PRESENT:

Chris Hogge, Engineer, Weber Basin Water Conservancy District
Elaine Peterson, Loan Specialist, USDA - Rural Development
Mark S. Day, Senior Program Manager, URS Corporation

Lane Chappell, Secretary, Fremont Waterworks Company
Darin Robinson, Engineer, Jones & DeMille Engineering

William R. Bankhead, Secretary, Wellsville-Mendon Conservation District
Brian Deeter, JUB Engineers

OTHERS PRESENT CONT'D :

Jan Turner, President, Morgan Secondary Water Association
Y .Marie Heiner, Mayor, Morgan City
Neil Carrigan, City Council, Morgan City
Steven C . Carrigan, Board Member, Morgan Secondary Water Association
Suzanne Carrigan, Morgan Secondary Water Association
Paul Turner, Board member, Morgan Secondary Water Association
Pamela Turner, Secretary-Treasurer, Morgan Secondary Water Association
Lee Cammack, Project Manager, Morgan Secondary Water Association
J. Craig Smith, Attorney, Nielsen & Senior

Don Griffith, President, North American Weather Consultants

M INUTES OF THE
BOARD OF W ATER RESOURCES M EETING
N ovem ber 2, 2001

Chair Lucille Taylor welcomed everyone to the Board of Water Resources meeting. Ivan Flint expressed appreciation to Larry Anderson for his last minute keynote address at the National Water Resources Association (NW RA) meetings. He said everyone thought he did an excellent job. Chair Taylor said Ivan Flint was honored at the NW RA meetings by giving him a distinguished service award and also a lifetime award. The Bureau of Reclamation also gave him a citizen's award.

APPROVAL OF M INUTES

Warren Peterson made the motion to approve the September 20 and 21, 2001 minutes as prepared. Paul Riley seconded the motion, and it was agreed upon by the Board.

FEASIBILITY REPORT

#E057 Fremont Waterworks Company

Chair Taylor welcomed Lane Chappell, and Darin Robinson, Jones and DeMille Engineering. Gina Hirst reported the company serves culinary water to 160 residential connections in Fremont and four dairies. Several residences are connected to a 4-inch Asbestos Cement transmission line which is too small to provide sufficient fire flows. The company is requesting financial assistance to improve its culinary water system by installing about 8,500 feet of 8-inch PVC transmission pipeline parallel to the existing 4-inch A-C line, installing fire hydrants on the new pipe to serve residences northeast of town, and replacing 4-inch and smaller A-C distribution pipelines with 8-inch PVC.

The estimated cost is \$800,000. The company has applied to Rural Development for a grant of \$375,000 and a loan of \$225,000, which has not yet been approved. Jones and DeMille will provide the engineering.

Based on the Board's water affordability guideline residents can pay up to \$16.89 per month. With the proposed project in place the cost per connection per month will be \$28.37. The sponsor currently charges \$8.00 for the first 8,000 gallons with an overage charge of \$1.00 per thousand gallons. The company is planning to raise the base rate to \$12.00 and also raise the overage charges.

The company has received funding previously from the Board. They are making annual payments of approximately \$16,000 through the year 2023.

Mr. Robinson said with the company's asbestos cement pipe it's difficult to tie on new connections. The fire flow is inadequate; they only have two or three hydrants in town. Warren Peterson said after reviewing the project with Mr. Robinson he felt the improvement was quite necessary. He then made the motion to authorize the Fremont Waterworks Company project in the amount of \$150,000 (19%) at 0% interest with annual payments of \$1,000 the first 11 years and \$2,000 to approximately \$28,000 the next 13. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#E058 Wellsville-Mendon Conservation District

Chair Taylor introduced William Bankhead, secretary; and Brian Deeter of J U B Engineers. Steve Wilde reported the district delivers about 8,000 acre-feet of irrigation water from Hyrum Reservoir to approximately 4,600 agricultural acres, and 400 acres of lawns and gardens in Wellsville and Mendon cities. Water is conveyed through the earthen Wellsville-Mendon Canal. An estimated 600 acre-feet annually is lost to seepage due to heavily graveled soils.

The district is requesting financial assistance to install 6,100 feet of rubber liner, underlain by a protective geotextile fabric. J U B Engineers will provide design and construction engineering services. The project is estimated to cost \$240,000.

Paul Riley said he had gone over the project with the sponsor and this section has the greatest leakage. He made the motion to authorize the project for the Wellsville-Mendon Conservation District at \$192,000 (80%) to be purchased with annual payments of \$22,000 at 3.2% interest over approximately 11 years. Warren Peterson seconded the motion and the Board agreed unanimously.

COMMITTAL OF FUNDS

#E031 Morgan Secondary Water Association

Chair Taylor introduced Jan Turner, president; Marie Heiner, mayor; Pamela Turner, secretary-treasurer; Paul Turner, Suzanne Carrigan, Steven Carrigan, J. Craig Smith, Lee Cammack, J U B engineers; and Neil Carrigan.

Shalaine DeBernardi reported the Morgan Secondary Water Association is requesting financial assistance to construct a pressurized secondary irrigation system which will include a pump station, regulating reservoir, and about 13 miles of transmission and distribution pipeline. The proposed cost estimate remains the same as authorized (\$3.1 million).

Ivan Flint said he had toured the project, and asked about the city providing \$40,000 toward it. Jan Turner said when the five canal ditch companies came together they didn't have enough money for the legal work to make an association. Morgan City agreed to provide \$40,000 for attorney's fees and also for some land for the sites of the reservoir. Mayor Heiner

said the city engineer's office staff had also contributed time and information for the project. Morgan City is in agreement with the project; it will help save culinary water. Harold Shirley asked if residences were going to be required to connect to the secondary system. The Mayor said the council has discussed this and will probably put in an ordinance requiring hook-ups. All new development is already required to adopt a system that can be hooked on to the secondary system when it runs by their residence. Mayor Heiner presented a letter to Chair Taylor stating Morgan City's participation in secondary water for Morgan City residents.

Ivan Flint made a motion to commit funds to the Morgan Secondary Water Association in the amount of \$2.79 million (90%) to be purchased in 25 years at 2% interest with annual payments beginning at about \$119,000 and increasing to about \$180,000. Harold Shirley seconded the motion and it was agreed upon by the Board.

#E050 Grantsville Irrigation Co.

Steve Wilde reported the company is requesting financial assistance to replace the valving in one of the company's pressurized irrigation system's regulating stations, and install about 3,800 feet of ductile iron transmission pipeline to replace problem sections of steel cylinder pipe. The project is estimated to cost \$360,000. Cleal Bradford made the motion to commit funds to the irrigation company in the amount of \$288,000 (80%) to be purchased with annual payments of \$12,000 at 0% interest over approximately 25 years. Brad Hancock seconded the motion and the Board agreed unanimously.

CLOUD SEEDING

Dave Cole reported Dr. Norm Stauffer's report on the benefits of cloud seeding is included in the Board folder. Director Anderson said the Board of Water Resources has cost shared previously for cloud seeding up to \$150,000 not to exceed 50% of the total project cost.

After discussion, Ivan Flint made a motion to fund the cloud seeding program up to \$150,000 not to exceed 50% of the project cost. Warren Peterson seconded the motion, and it was agreed upon unanimously by the Board.

Warren Peterson asked about the status of the Rural Development grant and loan for the Fremont Waterworks Company. Mr. Robinson said the pre-ap has been approved. He said the engineer needed to answer the concerns of Rural Development, and after they have been complied with the application will be submitted. Mr. Peterson said he wanted the Board to understand the project had to receive the Rural Development loan and grant before the project is feasible.

DIRECTOR'S REPORT

Director Anderson introduced the division's newest employee, Jed Hansen who will be working for Todd Adams in the computer-hydrology modeling section of the office. Jed told the Board his background.

Mr. Anderson said the 17th annual Water Education banquet will be held November 17, at the Airport Hilton Hotel. All Board members should have received an invitation and are encouraged to attend. He said the Utah Water Users are planning the Water Summit to be held on November 29th. All Board members will be registered unless they indicate they cannot attend.

Director Anderson said on page 10 of the Board folder there's a copy of the testimony submitted to the Resource Committee of the U.S. House of Representatives sub-committee on Water and Power. The subject is the "Implementation of the California 44 Plan for the Colorado River". The hearing was scheduled for October 25 and was cancelled because of the anthrax envelopes found in Washington, D.C. A field hearing will probably be held at a later date.

On page 17 of the Board folder a copy of a letter from Jennifer Pitt with The Environmental Defense and several other environmental groups was included with their interpretation of the symposium at Mexicali on September 11. Mr. Anderson responded to the letter as he felt they were overly optimistic in their observation of the meeting.

Mr. Anderson said a copy of a briefing paper for the new Executive Director of Natural Resources was part of the Board folder. Also the division is continuing to receive all types of letters about the Bear River Water Development. A whole packet of letters from members of the House of Representatives was received; many of them were similar.

NEXT BOARD MEETING

The next Board meeting will be held December 14 with the staff and Board Christmas party at the Lion House following the meeting.

Meeting adjourned at 3:20 p.m.